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Santa Monica Deal With Mobil Expected on Well Cleanup

By SUE McALLISTER, SPECIAL TO THE TIMES | March 17, 1998

Having already signed agreements with two oil companies to clean up one of the city's contaminated drinking-water well sites, Santa Monica is expected to announce an even stronger agreement with a third oil company tonight.

Under the deal, Mobil Oil Corp. will pay the city an immediate \$2.2 million for costs that the city has incurred since the potentially toxic gasoline additive MTBE was found to be polluting two more of the city's wells in West Los Angeles.

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City officials--who estimate that Mobil may eventually pay as much as \$6 million under the settlement--boasted Monday that the comprehensiveness of the agreement will set a precedent for other cities with MTBE problems.

"Santa Monica started out as the reluctant poster child for MTBE pollution," said Assistant City Atty. Joseph Lawrence. "With this settlement, we've become a role model for how to solve the problem."

The agreement scheduled to be approved by the City Council marks the settlement of a 1997 lawsuit brought by the city against Mobil and Tom H. Turner, who owned most of the property where the Mobil station at Bundy Drive and Wilshire Boulevard once stood.

That gas station is believed to have polluted the city's nearby Arcadia well site.

In addition to paying the city for its legal, investigative and water costs, Mobil will pay for all costs of cleaning up the contaminated wells, any increased costs of buying water from non-city sources, and the cost of retaining a city employee to oversee remediation of the wells.

MTBE, or methyl tertiary-butyl ether, is a chemical added to gasoline that results in cleaner-burning fuel--but it is also a suspected carcinogen and can cause drinking water to smell and taste like turpentine when present even in small amounts.

Seven of Santa Monica's 11 wells have been shut down in the last two years because MTBE from oil companies' gasoline storage tanks is suspected to have leaked into the ground water at two city-owned sites, Arcadia and the Charnock well field in Mar Vista.

The presence of MTBE at Arcadia had reached 84 parts per billion when the city decided to close down the site's two wells in fall 1996, Lawrence said. The state standard for drinking water safety is 35 ppb.

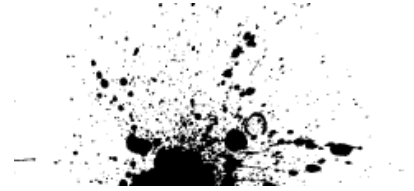
The city reached a settlement with Shell Oil Corp. and Chevron Corp. in June for the cleanup of the Charnock site.

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By SUE McALLISTER, SPECIAL TO THE TIMES | March 17, 1998

But unlike that settlement--which capped the amount of the first year's payments at \$5 million and allowed the companies to suspend cleanup efforts after a year if they determined that they were not the cause of the pollution--the deal with Mobil has no limit on time or cost.

Mobil spokeswoman Carolin Keith would not comment on the ultimate cost of the settlement, saying that there were too many unknown variables.

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For example, she said, Mobil is still trying to determine how MTBE leaked into the wells, and is investigating the best way to clean up the chemical.

"The commitment is to stay and do the job until it's done completely, until the wells are restored and everyone is comfortable with the quality of the drinking water," Keith said. "While there were differences of opinion between Mobil and Santa Monica which appeared to be prolonged, both parties had the interest of the public and the cleanliness of the water at heart."

City Environmental and Public Works Director Craig Perkins said he plans to ask the City Council on March 24 to approve a rate reduction and refund for Santa Monica water customers. They have paid about \$2 million in surcharges since the city began buying 70% of its drinking water from the Metropolitan Water District in July 1996, he said.

Before the closure of the Charnock and Arcadia wells, Santa Monica purchased only 30% of its water supply from outside sources.

Since October, Mobil has been decontaminating water at Arcadia around the clock by sending it through a series of carbon filters. Keith said the process should take at least a year, although city officials said it could take as long as five to 10 years.

The settlement requires Mobil to reduce the MTBE level at Arcadia to a standard of no more than 20 ppb, prohibits a service station from ever occupying the site on the southeast corner of Wilshire and Bundy, and gives the city the right to approve future tenants there.

Although Mobil has not specifically admitted any wrongdoing at the Arcadia well site, spokeswoman Keith said: "We have acknowledged that the gasoline from our site is most likely the source of the contamination."

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